

# Descriptive Statistics for Tax Incentive Programs

2017 Report to the Legislature  
Covering Calendar Year 2016 Activity



Vikki Smith, Director  
Washington State Department of Revenue

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## Executive Summary

Revised Code of Washington 82.32.534 and 82.32.585 requires the Department of Revenue (Department) to summarize data from annual surveys and reports for select tax incentives programs by December 31. Taxpayers (participants) must file their annual survey and/or report by May 31 for incentives claimed the preceding year. Prior to the due date, the Department makes a concerted effort to remind known participants of their filing requirement(s). Participants submitting their survey and/or report after the due date may qualify for an extension. Those who do not qualify will lose the tax preference claimed and their filing is removed from the Department's analysis.

This publication represents information provided by participants as well as corrections made during the Department's review. Forty tax incentive programs are reflected for Calendar Year 2016. The information is as of October 27, 2017.

## Highlights

### Most participants in 2016

<i>Incentive</i>	<i>Number of firms</i>
Timber industry reduced business and occupation (B&O) tax rate	657
Aerospace manufacturing reduced B&O tax rate	355
Fruit and vegetable processors B&O tax exemption	229
Rural and high unemployment county sales and use tax deferrals	177

### Largest cumulative revenue impact for survey incentives

<i>Incentive</i>	<i>Tax saved (millions)</i>
High technology sales and use tax deferral	\$346
Aerospace manufacturing reduced B&O tax rate	\$117
Preproduction expenditures B&O tax credit	\$85
Rural or high unemployment county sales and use tax deferral	\$57

### Employment – total in-state jobs

<i>Incentive</i>	<i>Number of jobs</i>
High technology sales and use tax deferral	171,853
Data center sales and use tax exemption	148,331
Aerospace manufacturing incentives	99,562

### Incentives not utilized in 2016

- Aerospace FAR part 145 repair station sales and use tax exemption,
- Aerospace leasehold tax exemption for superefficient airplane manufacturers,
- Aerospace personal property tax exemption for superefficient airplane manufacturers,
- Aluminum smelters use tax exemption for compressed/liquefied natural gas, and
- Corporate headquarters facilities sales and use tax deferral.

Fewer than three taxpayers utilized the incentives below; therefore, the Department is unable to include their data.

#### Incentives – confidential taxpayer information (survey)

- Aerospace manufacturing site sales and use tax exemption,
- Aluminum smelters property tax B&O tax credit,
- Aluminum smelters reduced B&O tax rate,
- Aluminum smelters sales and use tax credit,
- Manufacturer’s site sales and use tax deferral,
- Semiconductor sales and use tax exemption, and
- Solar energy systems manufacturers or processors sales and use tax exemption.

#### Incentives - confidential taxpayer information (report)

- Aluminum smelter tax incentives,
- Electrolytic processing industry tax incentive, and
- Semiconductor cluster.

The rest of the publication provides detailed information by incentive program. Participants filing an annual report do not declare the amount of taxpayer savings from the incentive. For this reason, the publication groups incentives by industry.

## Understanding the publication

### *Combining data*

Participants can file multiple incentives on one annual survey or report. The employee count for each annual survey or report represents the total employees in Washington for the participant and not by incentive. Therefore, each incentive filed by the participant will have the same employee count throughout the publication. As a result, adding the employee counts for multiple incentives may overstate the number of employees.

### **Annual survey**

#### *Incentive amounts*

Participants only declare tax savings on the annual survey. The tax savings calculations differ by incentive type as listed below:

1. Credits taken against B&O tax,
2. Deductions or exempt B&O tax,
3. Deferred or exempt sales and use tax, or
4. Preferred B&O tax rates, which is the difference between the preferred and actual rates.

#### *Deferral programs*

For the sales and use tax deferral programs, the revenue reflects total state and local tax deferred for each qualified project. Participants declare the total amount for eight years, starting the year after the project is operationally complete. Therefore, adding the total deferral amounts each year will result in overstated deferred amounts.

#### *Data tables*

As noted earlier, programs with less than three participants are not disclosed in the publication. Three tables are presented for each incentive requiring an annual survey.

1. First table reflects the incentive amounts and number of participating firms by firm size.
2. Second table displays the number of employees by firm size and job status.
3. Third table shows the number of Washington employees by annual wage and benefits.

A handful of the incentives have additional tables. The high technology sales and use tax deferral and public institution sales and use tax exemption declare tax incentive savings by high technology categories. These two incentives plus high unemployment county and rural county sales and use tax deferrals include a table which reflects evidence of new innovation.

### **Annual reports**

For annual reports, participants state employment data by site or for all Washington sites collectively. Once a firm selects "All Washington" to file their employment details, they cannot submit data by site for future reporting. Out-of-state firms requiring to file an annual report may not be included in total firm counts, if they did not have employees in Washington. The data is prepared in the following tables:

1. First table displays the employee count and percentage by occupation.
2. Second table lists the percent distribution of employees by occupation and hourly wage.
3. Final tables reveal the employment status and benefits.

## Overview of tax incentives for Calendar Year 2016 - annual survey

Tax incentives by major industry	Participants	Total jobs	Tax savings
<b>Aerospace</b>			
Aircraft repairs FAR part 145 reduced B&O tax rate	34	4,863	\$ 667,807
Computer, software, and peripherals sales and use tax exemption	9	73,833	\$ 3,231,868
Manufacturing reduced B&O tax rate	355	99,562	\$117,935,086
Manufacturing site sales and use tax exemption	CTI <sup>1</sup>	CTI	CTI
Preproduction expenditures B&O tax credit	68	79,893	\$ 85,476,587
Product development reduced B&O tax rate	109	5,030	\$ 1,759,024
Property and leasehold taxes B&O tax credit	31	81,190	\$ 33,654,367
<b>Agricultural products</b>			
Agricultural crop protection products hazardous substance tax exemption	4	694	\$ 472,030
Agricultural sales and use tax deferral	64	16,580	\$ 35,278,732
Dairy products manufacturers B&O tax exemption	17	4,471	\$ 4,424,971
Fruit and vegetable processors B&O tax exemption	229	13,341	\$ 17,118,412
Seafood products B&O tax exemption	35	3,092	\$ 2,930,892
<b>High technology and computing</b>			
Biotechnology sales and use tax deferral	10	2,311	\$ 5,946,840
Data centers sales and use tax exemption	18	148,331	\$24,660,328
High technology sales and use tax deferral	101	171,853	\$346,487,951
Public research institutions sales and use tax exemption	3	48,525	\$ 6,980,504
Semiconductor industry	CTI	CTI	CTI
<b>Other manufacturing</b>			
Solar energy systems manufacturers or wholesalers reduced B&O tax rate	6	395	\$ 121,528
Rural or high unemployment county sales and use tax	177	30,394	\$ 56,976,988
Timber and wood products reduced B&O tax rate	657	17,137	\$ 12,355,796
Aluminum smelting	CTI	CTI	CTI
Manufacturer's site sales and use tax deferral	CTI	CTI	CTI
Solar energy systems sales and use tax exemption	CTI	CTI	CTI
<b>Other programs</b>			
Hog fuel sales and use tax exemption	17	4,846	\$ 3,017,229
Renewable energy equipment sales and use tax exemption	167	44,234	\$ 841,768
Customized employment training B&O tax credit	10	1,891	\$ 70,720

<sup>1</sup> Fewer than three participants; therefore, confidential taxpayer information (CTI).

## Overview of tax incentives for Calendar Year 2016 - annual report

Tax incentives by major industry	Participants	Total jobs
<b>Aerospace</b>		
Aircraft repairs FAR part 145 reduced B&O tax rate	34	4,716
Manufacturing	276	99,460
Non-manufacturers	104	4,505
<b>High technology and computing</b>		
Data centers sales and use tax exemption	18	79,323
Semiconductor industry	CTI <sup>1</sup>	CTI
<b>Other manufacturing</b>		
Newspapers reduced B&O tax rate	88	52,532
Aluminum smelting	CTI	CTI
<b>Other programs</b>		
Government-funded mental health services B&O tax deduction	10	3,061
Energy for electrolyte processors	CTI	CTI

<sup>1</sup> Fewer than three participants; therefore, confidential taxpayer information (CTI).

## Chapter 1 - Aerospace Industry

Ten aerospace industry incentives require participants to submit an annual survey. This chapter shows the cumulative results for each incentive with three or more participants. Incentives not utilized or containing confidential taxpayer information are listed in the executive summary.

### Aerospace manufacturers reduced B&O tax rates

Manufacturers of commercial airplanes or components of commercial airplanes, as well as tooling, used in the production of commercial aircraft receive a preferential B&O tax rate of 0.2904 percent. The general tax rate for manufacturing is 0.484 percent. This preferential rate expires July 1, 2040. (RCW 82.04.260)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	246	\$3,560,684
50 to 250	79	\$4,142,857
More than 250	30	\$110,231,545
<b>Total</b>	<b>355</b>	<b>\$117,935,086</b>

### Job status by firm size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	2,216	94.5	5.0	0.5
50 to 250	9,333	96.3	1.8	1.9
More than 250	88,013	99.4	0.2	0.4
<b>Total</b>	<b>99,562</b>	<b>99.0</b>	<b>0.5</b>	<b>0.5</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	4,204	2,900	2,804	1,955
\$30,000 - \$60,000	25,788	23,683	23,454	20,959
More than \$60,000	69,570	67,845	67,785	67,784
<b>Total</b>	<b>99,562</b>	<b>94,428</b>	<b>94,043</b>	<b>90,698</b>

## Aerospace product development reduced B&O tax rate

Businesses developing aerospace products for others pay a preferential B&O tax rate of 0.9 percent, as compared to the general services rate of 1.5 percent. The preferential rate expires on July 1, 2040. (RCW 82.04.290)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	94	\$448,037
50 to 250	9	\$432,927
More than 250	6	\$878,061
<b>Total</b>	<b>109</b>	<b>\$1,759,024</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	515	90.2	6.5	3.3
50 to 250	1,124	99.2	0.3	0.3
More than 250	3,391	73.2	0.3	26.9
<b>Total</b>	<b>5,030</b>	<b>80.8</b>	<b>0.9</b>	<b>18.6</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	579	93	91	104
\$30,000 - \$60,000	1,735	1,078	1,130	978
More than \$60,000	2,716	2,303	2,144	1,761
<b>Total</b>	<b>5,030</b>	<b>3,474</b>	<b>3,365</b>	<b>2,843</b>

## Aerospace preproduction expenditures B&O tax credit

Businesses engaged in aerospace product development are eligible for a B&O tax credit equal to 1.5 percent of qualified expenditures. Qualified expenditures include research, design and engineering costs incurred in the development of aerospace products but do not include actual production-related costs. Commercial airplane and component manufacturers are eligible for the credit on expenditures incurred after December 1, 2003. Others are eligible for the credit on expenditures incurred after June 30, 2008. This credit expires July 1, 2040. (RCW 82.04.4461)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	40	\$453,214
50 to 250	17	\$803,511
More than 250	11	\$84,219,862
<b>Total</b>	<b>68</b>	<b>\$85,476,587</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	377	91.1	5.4	3.4
50 to 250	2,050	97.6	0.9	1.4
More than 250	77,466	99.6	0.2	0.2
<b>Total</b>	<b>79,893</b>	<b>99.5</b>	<b>0.3</b>	<b>0.3</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,050	837	805	845
\$30,000 - \$60,000	14,703	13,899	13,932	13,769
More than \$60,000	64,140	62,806	62,861	63,274
<b>Total</b>	<b>79,893</b>	<b>77,542</b>	<b>77,598</b>	<b>77,888</b>

## Aerospace FAR part 145 repair stations reduced B&O tax rate

Qualified aircraft repair facilities certified by the Federal Aviation Administration as a “FAR part 145” repair facility receive a reduced B&O tax rate of 0.2904 percent. Without the preferential rate, these businesses would be subject to the 0.471 percent retailing of interstate transportation equipment rate. The preferred B&O tax rate expires July 1, 2040. (RCW 82.04.250)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	21	\$135,036
50 to 250	7	\$206,954
More than 250	6	\$325,818
<b>Total</b>	<b>34</b>	<b>\$667,807</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	347	95.3	4.5	0.2
50 to 250	846	98.0	0.2	1.7
More than 250	3,670	98.7	0.1	1.6
<b>Total</b>	<b>4,863</b>	<b>98.4</b>	<b>0.4</b>	<b>1.5</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	307	160	158	159
\$30,000 - \$60,000	2,304	1,843	1,956	1,734
More than \$60,000	2,252	1,996	2,009	1,844
<b>Total</b>	<b>4,863</b>	<b>3,999</b>	<b>4,123</b>	<b>3,737</b>

## Aerospace property and leasehold taxes B&O tax credit

Manufacturers of commercial airplanes or commercial airplane components qualify for a B&O tax credit for state and local property taxes paid on land and buildings constructed after December 1, 2003, used exclusively to manufacture commercial airplanes or components. The credit is also available for leasehold excise taxes paid on land and buildings constructed after January 1, 2006 and used exclusively for the same purposes.

Manufacturers of tooling specifically designed for use in manufacturing commercial airplanes, persons providing aerospace product development, and persons providing aerospace services qualify for a B&O tax credit for state and local property or leasehold excise taxes paid on land and buildings constructed after June 30, 2008. These credits expire July 1, 2040. (RCW 82.04.4463)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	4	\$21,481
50 to 250	13	\$829,208
More than 250	14	\$32,803,678
<b>Total</b>	<b>31</b>	<b>\$33,654,367</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	104	87.4	12.6	0.0
50 to 250	1,510	99.0	0.7	0.3
More than 250	79,576	99.7	0.2	0.1
<b>Total</b>	<b>81,190</b>	<b>99.7</b>	<b>0.2</b>	<b>0.1</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,730	1,469	1,434	1,191
\$30,000 - \$60,000	16,696	16,001	15,957	15,177
More than \$60,000	62,764	61,771	61,878	62,485
<b>Total</b>	<b>81,190</b>	<b>79,241</b>	<b>79,269</b>	<b>78,853</b>

## Aerospace computer, software, and peripherals sales and use tax exemption

Computer hardware, software, and peripherals used primarily to develop, design, or engineer aerospace products or provide aerospace services are exempt from retail sales and use tax. Any charge for labor and services rendered in respect to the installation of the equipment is also exempt. This exemption expires July 1, 2040. (RCW 82.08.975; RCW 82.12.975)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	5	\$26,052
50 or more	4	\$3,205,816
<b>Total</b>	<b>9</b>	<b>\$3,231,868</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	93	95.0	5.0	0.0
50 or more	73,740	99.8	0.2	0.0
<b>Total</b>	<b>73,833</b>	<b>99.8</b>	<b>0.2</b>	<b>0.0</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	255	235	240	242
\$30,000 - \$60,000	12,049	11,759	11,849	11,854
More than \$60,000	61,529	60,676	60,798	61,212
<b>Total</b>	<b>73,833</b>	<b>72,670</b>	<b>72,887</b>	<b>73,308</b>

## Chapter 2 - Agriculture Industry

Five agriculture industry incentives require a participant to submit an annual survey. This chapter shows the cumulative results for each incentive.

### Fruit and vegetable processors B&O tax exemption

Manufacturers and wholesalers (selling for interstate transport) of fruit or vegetable products that are canned, preserved, dehydrated, or frozen are exempt from the manufacturing and wholesaling B&O tax rate of 0.484 percent. This exemption expires July 1, 2025. At that time, income from the manufacture of these items will return to the preferential B&O tax rate classification of 0.138 percent. (RCW 82.04.4266)

#### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	191	\$1,976,467
50 to 250	26	\$3,767,238
More than 250	12	\$11,374,707
<b>Total</b>	<b>229</b>	<b>\$17,118,412</b>

#### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	1,634	55.0	40.3	4.6
50 to 250	2,574	88.0	6.8	5.2
More than 250	9,133	91.5	1.9	6.6
<b>Total</b>	<b>13,341</b>	<b>86.4</b>	<b>7.5</b>	<b>6.1</b>

#### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	4,228	1,161	966	896
\$30,000 - \$60,000	6,929	5,598	5,440	4,736
More than \$60,000	2,184	1,946	1,865	1,865
<b>Total</b>	<b>13,341</b>	<b>8,705</b>	<b>8,271</b>	<b>7,497</b>

## Dairy product manufacturers B&O tax deduction

Manufacturers and wholesalers of dairy products and by-products are exempt from the manufacturing and wholesaling B&O tax rate of 0.484 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing of these items returns to the preferential B&O tax rate of 0.138 percent. (RCW 82.04.4266)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	9	\$126,002
50 or more	8	\$4,298,969
<b>Total</b>	<b>17</b>	<b>\$4,424,971</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	163	65.9	34.1	0.0
50 or more	4,308	91.6	1.4	7.0
<b>Total</b>	<b>4,471</b>	<b>90.7</b>	<b>2.6</b>	<b>6.7</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	636	383	235	273
\$30,000 - \$60,000	2,688	2,228	2,067	1,559
More than \$60,000	1,147	1,071	1,043	1,032
<b>Total</b>	<b>4,471</b>	<b>3,682</b>	<b>3,345</b>	<b>2,864</b>

## Seafood processors B&O tax exemption

Manufacturers and wholesalers of seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing process are exempt from the manufacturing and wholesaling B&O tax of 0.484 percent. This exemption expires July 1, 2025. At that time, income from the manufacturing and wholesaling of these items returns to the preferential B&O tax rate of 0.138 percent. (RCW 82.04.4268)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	22	\$436,040
50 or more	13	\$2,494,852
<b>Total</b>	<b>35</b>	<b>\$2,930,892</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	181	59.4	38.7	1.9
50 or more	2,911	80.9	5.7	13.4
<b>Total</b>	<b>3,092</b>	<b>79.7</b>	<b>7.6</b>	<b>12.7</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,045	441	391	234
\$30,000 - \$60,000	1,486	967	907	606
More than \$60,000	561	471	460	391
<b>Total</b>	<b>3,092</b>	<b>1,879</b>	<b>1,758</b>	<b>1,231</b>

## Agricultural sales and use tax deferral

Firms who process fresh fruit and vegetables, operate cold storage warehouses for storing such product, engage in R&D activities related to processing of such products, or manufacture dairy products or seafood products are eligible for a deferral and waiver of sales and use taxes on investment projects. The deferral applies to construction or expansion of eligible facilities or acquisition of new equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2012. (RCW 82.74)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 250	42	\$19,523,352
250 or more	22	\$15,755,380
<b>Total</b>	<b>64</b>	<b>\$35,278,732</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 250	2,378	72.6	9.5	17.9
250 or more	14,202	91.6	3.1	5.3
<b>Total</b>	<b>16,580</b>	<b>88.8</b>	<b>4.1</b>	<b>7.1</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	7,307	2,249	1,615	1,608
\$30,000 - \$60,000	6,957	5,518	4,822	4,143
More than \$60,000	2,316	2,158	2,006	1,996
<b>Total</b>	<b>16,580</b>	<b>9,925</b>	<b>8,443</b>	<b>7,747</b>

## Agricultural crop protection products hazardous substance tax exemption

Pesticides or insecticides intended for agricultural crop protection by farmers or certified applicators and warehoused in Washington State or transported to or from the state without being used in the state and that are not packaged, repackaged, or manufactured in the state are exempt from the state hazardous substance tax. (RCW 82.21.040)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 600	4	\$472,030
<b>Total</b>	<b>4</b>	<b>\$472,030</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 600	694	98.3	1.6	0.1
<b>Total</b>	<b>694</b>	<b>98.3</b>	<b>1.6</b>	<b>0.1</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	62	28	28	36
\$30,000 - \$60,000	302	251	256	273
More than \$60,000	330	317	316	323
<b>Total</b>	<b>694</b>	<b>596</b>	<b>600</b>	<b>632</b>

## Chapter 3 - Timber Industry

Two timber industry incentives require a participant to submit an annual survey. This chapter shows the cumulative results for each incentive.

### Timber and wood products reduced B&O tax rates

Persons extracting or manufacturing timber and selling timber and wood products at wholesale receive a preferential B&O tax rate of 0.2904 percent (0.3424 percent after including 0.052 percent surcharge to finance riparian habitat). This preferential tax rate expires July 1, 2024. At that time, income from these activities returns to the B&O tax rate of 0.484 percent. (RCW 82.04.260(12))

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	592	\$2,923,199
50 to 250	48	\$3,234,141
More than 250	17	\$6,198,456
<b>Total</b>	<b>657</b>	<b>\$12,355,796</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 50	3,074	86.4	12.1	1.4
50 to 250	5,461	95.8	3.5	0.7
More than 250	8,602	99.4	0.3	0.3
<b>Total</b>	<b>17,137</b>	<b>95.9</b>	<b>3.5</b>	<b>0.6</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,974	844	726	517
\$30,000 - \$60,000	8,547	6,398	5,874	5,977
More than \$60,000	6,616	5,847	5,451	5,705
<b>Total</b>	<b>17,137</b>	<b>13,089</b>	<b>12,051</b>	<b>12,199</b>

## Hog fuel sales and use tax exemption (by facility)

Hog fuel used to produce electricity, steam, heat, or biofuel is exempt from retail sales and use taxes. Hog fuel is wood waste and other wood residuals including forest derived biomass, but excludes firewood and wood pellets. This exemption expires June 30, 2024. (RCW 82.08.956; 82.12.956)

### Incentive amount by facility size

Employment size of facility	Facilities	Incentive claimed
Less than 250	11	\$1,466,973
250 or more	6	\$1,550,256
<b>Total</b>	<b>17</b>	<b>\$3,017,229</b>

### Job status by facility size

Employment size of facility	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 250	1,536	99.8	0.2	0.0
250 or more	3,310	100.0	0.0	0.0
<b>Total</b>	<b>4,846</b>	<b>99.9</b>	<b>0.1</b>	<b>0.0</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	119	54	53	79
\$30,000 - \$60,000	2,529	1,824	1,867	2,319
More than \$60,000	2,198	1,979	2,014	2,128
<b>Total</b>	<b>4,846</b>	<b>3,857</b>	<b>3,934</b>	<b>4,526</b>

## Chapter 4 - High Technology Industry

Four high technology industry incentives require a participant to submit an annual survey. This chapter shows the cumulative results for each incentive with three or more participants. Incentives not utilized or containing confidential taxpayer information are listed in the executive summary.

### High technology sales and use tax deferral

Businesses engaged in certain high technology research and development activities or pilot scale manufacturing are eligible for a deferral of sales and use taxes on charges for construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2015. (RCW 82.63)

#### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	27	\$5,995,364
50 to 250	33	\$24,915,198
More than 250	41	\$315,577,389
<b>Total</b>	<b>101</b>	<b>\$346,487,951</b>

#### Incentive amounts by high technology category \*

High technology category	Participants	Incentive claimed
Advanced Computing	34	\$199,979,344
Advanced Materials	14	\$18,542,519
Biotechnology	42	\$92,375,791
Electronic Device	32	\$21,599,478
Environmental Tech	12	\$14,037,999
<b>Total</b>	<b>134</b>	<b>\$346,535,130</b>

\*Totals do not agree with the above table due to rounding and participants reporting under multiple technology categories.

## High technology sales and use tax deferral (continued)

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	455	89.8	9.9	0.2
50 to 250	4,133	94.2	4.6	1.1
More than 250	167,265	86.0	8.0	5.9
<b>Total</b>	<b>171,853</b>	<b>86.2</b>	<b>8.0</b>	<b>5.8</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	19,517	5,574	6,202	5,918
\$30,000 - \$60,000	29,680	24,909	25,162	24,713
More than \$60,000	122,656	117,641	117,216	107,647
<b>Total</b>	<b>171,853</b>	<b>148,124</b>	<b>148,580</b>	<b>138,278</b>

### Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
Less than 50	39	29	49	10	9
50 to 250	38	218	142	0	45
More than 250	8,041	10,363	8,446	33	109
<b>Total</b>	<b>8,118</b>	<b>10,610</b>	<b>8,637</b>	<b>43</b>	<b>163</b>

## Data center sales and use tax exemption

A sales and use tax exemption on qualified purchases of eligible server equipment and eligible power infrastructure exists for data centers located in a rural county. The exemption includes charges for labor and services associated with installation of the equipment and power infrastructure. (RCW 82.82.08.986, 82.12.986)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 250	10	\$6,794,857
250 or more	8	\$17,865,471
<b>Total</b>	<b>18</b>	<b>\$24,660,328</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 250	125	100.0	0.0	0.0
250 or more	148,206	94.6	4.4	1.1
<b>Total</b>	<b>148,331</b>	<b>94.6</b>	<b>4.4</b>	<b>1.1</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	10,725	6,859	6,833	8,181
\$30,000 - \$60,000	23,659	22,066	22,046	22,474
More than \$60,000	113,947	111,547	111,625	106,620
<b>Total</b>	<b>148,331</b>	<b>140,472</b>	<b>140,504</b>	<b>137,275</b>

## Biotechnology sales and use tax deferral

Biotechnology product manufacturers and medical device manufacturers are eligible for a deferral of sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to January 1, 2017. (RCW 82.75)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 250	5	\$1,758,405
More than 250	5	\$4,188,435
<b>Total</b>	<b>10</b>	<b>\$5,946,840</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 250	419	95.6	0.5	3.9
More than 250	1,892	97.6	0.8	1.3
<b>Total</b>	<b>2,311</b>	<b>97.2</b>	<b>0.7</b>	<b>1.8</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	37	28	27	28
\$30,000 - \$60,000	849	735	743	689
More than \$60,000	1,425	1,362	1,365	1,201
<b>Total</b>	<b>2,311</b>	<b>2,125</b>	<b>2,135</b>	<b>1,918</b>

## Public research institution equipment sales and use tax exemption

The sale of machinery and equipment used primarily in a research and development operation at public research institutions is exempt from sales and use tax. (RCW 82.08.025651, 82.12.025651)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
More than 250	3	\$6,980,504
<b>Total</b>	<b>3</b>	<b>\$6,980,504</b>

### Employment size of participant

High technology category	Participants	Incentive* claimed
Advanced computing	CTI	CTI
Advanced materials	CTI	CTI
Biotechnology	CTI	CTI
Electronic devices	CTI	CTI
Environmental	CTI	CTI
<b>Total</b>	<b>3</b>	<b>\$6,980,504</b>

\*Less than three participants; therefore, confidential taxpayer information (CTI).

### Job status by participant size

Employment size of participant	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
More than 250	48,525	63.5	19.0	17.5
<b>Total</b>	<b>48,525</b>	<b>63.5</b>	<b>19.0</b>	<b>17.5</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
\$30,000 - \$60,000	14,912	12,641	13,305	13,065
Less than \$30,000	15,488	3,384	4,114	3,859
More than \$60,000	18,125	17,283	17,866	17,701
<b>Total</b>	<b>48,525</b>	<b>33,308</b>	<b>35,285</b>	<b>34,625</b>

### Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
More than 250	0	765	123	2	0
<b>Total</b>	<b>0</b>	<b>765</b>	<b>123</b>	<b>2</b>	<b>0</b>

## Chapter 5 - Renewable Energy Industry

Three renewable energy industry incentives require a participant to submit an annual survey. This chapter shows the cumulative results for each incentive with three or more participants. Incentives not utilized or containing confidential taxpayer information are listed in the executive summary.

### Solar energy systems manufacturers or wholesalers B&O reduced tax rates

The B&O tax rate on manufacturing of solar energy systems or the production of silicon components for these systems is 0.275 percent until July 1, 2027. If no preferential rate existed, the rate would be 0.484 percent. (RCW 82.04.294)

#### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 10	3	\$9,439
More than 10	3	\$112,089
<b>Total</b>	<b>6</b>	<b>\$121,528</b>

#### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 10	6	66.7	33.3	0.0
More than 10	389	98.9	1.0	0.2
<b>Total</b>	<b>395</b>	<b>98.4</b>	<b>1.4</b>	<b>0.2</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

#### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	28	20	20	0
\$30,000 - \$60,000	108	97	100	64
More than \$60,000	259	248	255	237
<b>Total</b>	<b>395</b>	<b>365</b>	<b>375</b>	<b>301</b>

## Renewable energy equipment retail sales and use tax exemption (By facility)

A sales and use tax exemption exists for machinery and equipment used directly in generating electricity from wind, sun, fuel cells, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power. In order to qualify for the exemption, the purchaser must use the machinery and equipment to develop a facility capable of generating at least one thousand watts of electricity. The exemption also includes sales of or charges made for installation labor and services of qualifying machinery and equipment. The exemption expires January 1, 2020. (RCW 82.08.962; 82.12.962)

### Incentive amount by facility size

Employment size of facility	Facilities	Incentive claimed
Less than 10	154	\$548,755
10 or more	13	\$293,013
<b>Total</b>	<b>167</b>	<b>\$841,768</b>

### Job status by facility size

Employment size of facility	WA employees	Full-time (%)	Part-time (%)	Temporary (%)
Less than 10	19	42.1	52.6	5.3
10 or more	44,215	60.1	19.3	20.6
<b>Total</b>	<b>44,234</b>	<b>60.1</b>	<b>19.3</b>	<b>20.6</b>

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	15,130	3,049	3,451	3,726
\$30,000 - \$60,000	11,697	9,562	10,349	9,759
More than \$60,000	17,407	16,054	16,726	16,580
<b>Total</b>	<b>44,234</b>	<b>28,665</b>	<b>30,526</b>	<b>30,065</b>

## Chapter 6 - Other Programs

There are five other program incentives requiring a participant to submit an annual survey. This chapter shows the cumulative results for each incentive with three or more participants. Incentives not utilized or containing confidential taxpayer information are listed in the executive summary.

### Customized employment training B&O tax credit

A B&O tax credit is allowed for half of the costs of customized workforce training paid by employers to the State Board for Community Colleges. No credit is allowed after June 30, 2021. (RCW 82.04.449)

#### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 250	7	\$42,881
More than 250	3	\$27,838
<b>Total</b>	<b>10</b>	<b>\$70,720</b>

#### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 250	711	86.7	0.6	12.7
More than 250	1,180	97.2	1.3	1.6
<b>Total</b>	<b>1,891</b>	<b>93.2</b>	<b>1.0</b>	<b>5.8</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

#### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	357	213	213	148
\$30,000 - \$60,000	1,039	945	933	660
More than \$60,000	495	475	465	399
<b>Total</b>	<b>1,891</b>	<b>1,633</b>	<b>1,611</b>	<b>1,207</b>

## High unemployment county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment for projects located in a county with high unemployment or in a Community Empowerment Zone (CEZ). The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. The deferral program expires July 1, 2020. (RCW 82.60)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	17	\$2,581,255
50 to 250	22	\$3,898,460
More than 250	6	\$3,464,380
<b>Total</b>	<b>45</b>	<b>\$9,944,095</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	374	87.5	12.0	0.5
50 to 250	2,473	98.0	1.2	0.8
More than 250	3,528	94.0	5.2	0.9
<b>Total</b>	<b>6,375</b>	<b>95.1</b>	<b>4.0</b>	<b>0.8</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	1,404	871	781	822
\$30,000 - \$60,000	3,122	2,690	2,640	2,468
More than \$60,000	1,849	1,631	1,619	1,594
<b>Total</b>	<b>6,375</b>	<b>5,192</b>	<b>5,040</b>	<b>4,884</b>

### Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
Less than 50	6	0	0	0	0
50 to 250	10	11	5	0	1
More than 250	1	8	22	0	1
<b>Total</b>	<b>17</b>	<b>19</b>	<b>27</b>	<b>0</b>	<b>2</b>

## Rural county sales and use tax deferral

Manufacturers investing in qualifying counties are eligible for a deferral of retail sales and use tax on charges for the construction, expansion, or renovation of facilities and purchases of eligible machinery and equipment when those projects are located in a county based on the population density of an average of less than 100 residents per square mile or whether the county contained a CEZ. The deferral becomes a waiver of the tax if the business maintains qualified business activities for eight years. Participants submitted applications for this deferral prior to July 1, 2010. (RCW 82.60)

### Incentive amount by participant size

Employment size of participant	Participants	Incentive claimed
Less than 50	66	\$15,667,293
50 to 250	43	\$13,777,339
More than 250	23	\$17,588,261
<b>Total</b>	<b>132</b>	<b>\$47,032,893</b>

### Job status by participant size

Employment size of participant	WA employees	Full-time* (%)	Part-time* (%)	Temporary* (%)
Less than 50	1,153	81.8	15.6	2.6
50 to 250	5,134	92.3	3.0	4.6
More than 250	17,732	95.1	2.3	2.6
<b>Total</b>	<b>24,019</b>	<b>93.9</b>	<b>3.1</b>	<b>3.0</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Benefits by annual wage

Annual wage	WA employees	Medical	Dental	Retirement
Less than \$30,000	4,077	2,162	2,048	1,909
\$30,000 - \$60,000	12,697	10,491	10,041	9,181
More than \$60,000	7,245	6,638	6,309	6,527
<b>Total</b>	<b>24,019</b>	<b>19,291</b>	<b>18,398</b>	<b>17,617</b>

### Innovations and evidence

Employment size of participant	New products or processes	New research projects	Patents	Copyrights	Trademarks
Less than 50	105	3	0	0	6
50 to 250	45	30	1	0	21
More than 250	96	455	34	0	27
<b>Total</b>	<b>246</b>	<b>488</b>	<b>35</b>	<b>0</b>	<b>54</b>

## Chapter 7 - Incentives Requiring an Annual Report

### Aerospace manufacturing

Aerospace manufacturing businesses receiving a reduced B&O tax rate file an annual survey and report. This reduced rate is available to manufacturers and processors for hire of commercial airplanes or component parts of commercial airplane. (RCW 82.04.260 (11a))

<b>Number of participants</b>	276
<b>Number of temporary staffing</b>	4,027

### Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Management	8,635	8.7
Business, financial, and legal operations	6,956	7.0
Computer, mathematical, architecture, & engineering	20,936	21.0
Life, physical, and social science	213	0.2
Community and social services	0	0.0
Education, training, and library	214	0.2
Healthcare practitioners, technical, and support	134	0.1
Protective services, building, and grounds maintenance	1,304	1.3
Sales and service	910	0.9
Office and administrative support	5,574	5.6
Construction and extraction	152	0.2
Installation, maintenance, and repair	3,732	3.8
Production, non-construction trades, and craft	42,558	42.8
Transportation and material moving	1,787	1.8
Other (forest, fishery, agriculture, military, arts, media)	6,355	6.4
<b>Total</b>	<b>99,460</b>	<b>100.0</b>

## Aerospace manufacturing (continued)

### Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management	1.3	0.1	0.5	3.1	95.0
Business, financial, and legal operations	0.1	0.1	0.7	11.3	87.9
Computer, mathematical, architecture, & engineering	0.0	0.0	0.4	2.8	96.7
Life, physical, and social science	0.0	0.0	0.0	3.4	96.6
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	3.4	2.7	1.7	92.2
Healthcare practitioners, technical, and support	0.0	0.0	3.0	26.1	70.9
Protective services, building, and grounds maintenance	0.0	15.1	14.1	10.9	59.8
Sales and service	0.1	0.9	6.6	21.0	71.4
Office and administrative support	0.1	3.2	11.1	32.8	52.8
Construction and extraction	0.0	1.4	16.6	12.9	69.1
Installation, maintenance, and repair	1.5	1.5	3.3	20.0	73.8
Production, non-construction trades, and craft	0.3	8.8	19.4	28.6	42.8
Transportation and material moving	0.1	5.4	12.4	17.4	64.7
Other (forest, fishery, agriculture, military, arts, media)	0.0	0.2	0.4	5.1	94.3
<b>Total (Count)</b>	<b>308</b>	<b>4,335</b>	<b>9,691</b>	<b>17,444</b>	<b>67,675</b>
<b>Total (%)</b>	<b>0.3</b>	<b>4.4</b>	<b>9.7</b>	<b>17.5</b>	<b>68.0</b>

### Percent of employees by employment status

Employment status	Percentage
Full-time	99.0
Part-time	0.6
Temporary	0.4

### Percent of employees receiving benefits

Benefit type	Percentage
Medical	98.4
Retirement	97.6

## Aerospace FAR part 145 repair station

Qualified aircraft repair facilities certified by the Federal Aviation Administration as a “FAR part 145” repair facility receive a reduced B&O tax rate of 0.2904 on sales and repairs made to airplanes are exempt from sales tax. (RCW 82.08.0261, 82.08.0262, or 82.08.0263)

Businesses reporting under this tax rate must file an annual survey and report. Without the preferential rate, these businesses have a rate of 0.471 retailing of interstate transportation equipment rate. The preferred rate and retail sales tax exemption expires July 1, 2040. (RCW 82.04.250)

<b>Number of participants</b>	34
<b>Number of temporary staffing</b>	1,505

### Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Business, financial, and legal operations	235	5.0
Computer, mathematical, architecture, & engineering	950	20.1
Life, physical, and social science	0	0.0
Community and social services	0	0.0
Education, training, and library	4	0.1
Healthcare practitioners, technical, and support	0	0.0
Protective services, building, and grounds maintenance	14	0.3
Sales and service	85	1.8
Office and administrative support	430	9.1
Construction and extraction	0	0.0
Installation, maintenance, and repair	1,140	24.2
Production, non-construction trades, and craft	1,259	26.7
Transportation and material moving	74	1.6
Other (forest, fishery, agriculture, military, arts, media)	70	1.5
<b>Total</b>	<b>4,716</b>	<b>100.0</b>

## Aerospace FAR part 145 repair station (continued)

### Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management	0.0	0.2	0.0	3.3	96.5
Business, financial, and legal operations	0.0	0.0	5.8	31.0	63.2
Computer, mathematical, architecture, & engineering	0.0	0.0	0.8	11.2	88.0
Life, physical, and social science	0.0	0.0	0.0	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	0.0	25.0	25.0	50.0
Healthcare practitioners, technical, and support	0.0	0.0	0.0	0.0	0.0
Protective services, building, and grounds maintenance	0.0	0.0	7.1	50.3	42.6
Sales and service	0.0	0.0	5.4	23.7	70.9
Office and administrative support	0.2	6.9	34.5	33.5	24.9
Construction and extraction	0.0	0.0	0.0	0.0	0.0
Installation, maintenance, and repair	0.0	10.0	22.5	47.2	20.3
Production, non-construction trades, and craft	0.0	21.2	35.8	29.4	13.6
Transportation and material moving	0.0	6.8	47.9	26.5	18.9
Other (forest, fishery, agriculture, military, arts, media)	0.0	0.0	4.3	54.2	41.5
<b>Total (Count)</b>	<b>1</b>	<b>416</b>	<b>922</b>	<b>1,333</b>	<b>2,044</b>
<b>Total (%)</b>	<b>0.0</b>	<b>8.8</b>	<b>19.5</b>	<b>28.3</b>	<b>43.3</b>

### Percent of employees by employment status

Employment status	Percentage
Full-time	98.4
Part-time	0.4
Temporary	1.2

### Percent of employees receiving benefits

Benefit type	Percentage
Medical	98.4
Retirement	97.5

## Aerospace non-manufacturing

Computer hardware, peripherals, and software used primarily to develop, design, or engineer aerospace products or provide aerospace services are exempt from sales and use tax. A charge for labor and services rendered for services paid for the installation of the equipment is also exempt. This exemption expires July 1, 2040. (RCW 82.08.975, 82.12.975)

<b>Number of participants</b>	104
<b>Number of temporary staffing</b>	907

### Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Business, financial, and legal operations	97	2.2
Computer, mathematical, architecture, & engineering	1,861	41.3
Life, physical, and social science	0	0.0
Community and social services	0	0.0
Education, training, and library	0	0.0
Healthcare practitioners, technical, and support	8	0.2
Protective services, building, and grounds maintenance	10	0.2
Sales and service	68	1.5
Office and administrative support	379	8.4
Construction and extraction	2	0.0
Installation, maintenance, and repair	867	19.2
Production, non-construction trades, and craft	451	10.0
Transportation and material moving	46	1.0
Other (forest, fishery, agriculture, military, arts, media)	260	5.8
<b>Total</b>	<b>4,505</b>	<b>100.0</b>

## Aerospace non-manufacturing (continued)

### Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management*	0.0	0.4	0.1	2.1	97.1
Business, financial, and legal operations	0.0	1.0	2.3	23.1	73.6
Computer, mathematical, architecture, & engineering	0.0	1.4	3.5	6.9	88.2
Life, physical, and social science	0.0	0.0	0.0	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	0.0	0.0	0.0	0.0
Healthcare practitioners, technical, and support	0.0	11.3	11.3	23.6	53.9
Protective services, building, and grounds maintenance	0.0	0.0	10.0	30.4	59.6
Sales and service	0.0	1.0	0.5	20.0	78.5
Office and administrative support	0.0	6.3	23.1	38.6	31.9
Construction and extraction	0.0	29.0	43.0	28.0	0.0
Installation, maintenance, and repair	5.5	12.9	16.0	43.8	21.8
Production, non-construction trades, and craft	0.0	5.0	33.5	38.1	23.5
Transportation and material moving	0.0	8.7	43.5	28.4	19.5
Other (forest, fishery, agriculture, military, arts, media)*	0.0	0.0	1.9	15.8	82.3
<b>Total (Count)</b>	<b>48</b>	<b>192</b>	<b>474</b>	<b>932</b>	<b>2,858</b>
<b>Total (%)</b>	<b>1.1</b>	<b>4.3</b>	<b>10.5</b>	<b>20.7</b>	<b>63.4</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Percent of employees by employment status

Employment status	Percentage
Full-time	94.8
Part-time	1.7
Temporary	3.5

### Percent of employees receiving benefits

Benefit type	Percentage
Medical	92.7
Retirement	87.0

## Newspaper industry

Businesses in the newspaper industry receive a preferential B&O tax rate for printing and/or publishing newspapers. This B&O tax rate is 0.35 percent until July 1, 2024, at which time the rate increases to 0.484 percent.

The definition of “newspaper” for B&O tax purposes includes electronic versions of a printed newspaper. The preferential rate applies to advertising and subscription revenues generated from the online version of a printed newspaper. (RCW 82.04.260(14a))

<b>Number of participants</b>	88
<b>Number of temporary staffing</b>	2,058

### Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Business, financial, and legal operations	188	0.4
Computer, mathematical, architecture, & engineering	111	0.2
Life, physical, and social science	0	0.0
Community and social services	0	0.0
Education, training, and library	135	0.3
Healthcare practitioners, technical, and support	2,376	4.5
Protective services, building, and grounds maintenance	62	0.1
Sales and service	38,090	72.5
Office and administrative support	2,373	4.5
Construction and extraction	3	0.0
Installation, maintenance, and repair	245	0.5
Production, non-construction trades, and craft	2,384	4.5
Transportation and material moving	4,241	8.1
Other (forest, fishery, agriculture, military, arts, media)	630	1.2
<b>Total</b>	<b>52,532</b>	<b>100.0</b>

## Newspaper industry (continued)

### Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management	0.1	3.0	20.7	33.0	43.2
Business, financial, and legal operations	0.0	16.3	23.1	46.5	14.2
Computer, mathematical, architecture, & engineering	0.0	4.8	25.5	22.0	47.7
Life, physical, and social science	0.0	0.0	0.0	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	10.8	88.4	0.7	0.0	0.0
Healthcare practitioners, technical, and support*	1.6	25.0	25.7	23.2	25.1
Protective services, building, and grounds maintenance	0.0	69.4	0.0	29.1	1.5
Sales and service	21.2	39.0	32.5	6.8	0.5
Office and administrative support	18.8	21.0	45.9	12.5	1.8
Construction and extraction	0.0	0.0	0.0	66.7	33.3
Installation, maintenance, and repair	0.4	60.6	8.4	20.9	9.7
Production, non-construction trades, and craft	8.9	29.3	34.2	26.0	1.6
Transportation and material moving	61.6	12.6	8.5	16.4	0.9
Other (forest, fishery, agriculture, military, arts, media)	1.4	12.1	24.8	28.0	33.6
<b>Total (Count)</b>	<b>11,411</b>	<b>17,650</b>	<b>15,850</b>	<b>5,681</b>	<b>1,952</b>
<b>Total (%)</b>	<b>21.7</b>	<b>33.6</b>	<b>30.2</b>	<b>10.8</b>	<b>3.7</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Percent of employees by employment status

Employment status	Percentage
Full-time	22.5
Part-time	76.4
Temporary	1.1

### Percent of employees receiving benefits

Benefit type	Percentage
Medical	92.7
Retirement	78.1

## Data center sales and use tax exemption

A sale and use tax exemption on qualified purchases of eligible server equipment and eligible power infrastructure exists for data centers in a rural county. The exemption includes charges for labor and services associated with installation of the equipment and power infrastructure. (RCW 82.08.986, 82.12.986.)

<b>Number of participants</b>	18
<b>Number of temporary staffing</b>	2,069

## Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Business, financial, and legal operations	6,812	8.6
Computer, mathematical, architecture, & engineering	17,973	22.7
Life, physical, and social science	195	0.2
Community and social services	0	0.0
Education, training, and library	187	0.2
Healthcare practitioners, technical, and support	105	0.1
Protective services, building, and grounds maintenance	1,181	1.5
Sales and service	3,980	5.0
Office and administrative support	3,658	4.6
Construction and extraction	137	0.2
Installation, maintenance, and repair	3,574	4.5
Production, non-construction trades, and craft	26,031	32.8
Transportation and material moving	2,561	3.2
Other (forest, fishery, agriculture, military, arts, media)	5,962	7.5
<b>Total</b>	<b>79,323</b>	<b>100.0</b>

## Data center sales and use tax exemption (continued)

### Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management	0.0	0.0	0.2	1.3	98.5
Business, financial, and legal operations	0.0	0.1	0.3	10.8	88.7
Computer, mathematical, architecture, & engineering	0.0	0.0	0.1	0.6	99.3
Life, physical, and social science	0.0	0.0	0.0	2.1	97.9
Community and social services	0.0	0.0	0.0	0.0	0.0
Education, training, and library	0.0	0.0	0.0	0.0	100.0
Healthcare practitioners, technical, and support	0.0	0.0	1.0	20.0	79.0
Protective services, building, and grounds maintenance	0.0	14.5	12.2	9.5	63.8
Sales and service	0.0	11.4	6.0	20.2	62.4
Office and administrative support*	0.1	0.1	1.4	27.7	72.9
Construction and extraction	0.0	0.0	16.1	8.0	75.9
Installation, maintenance, and repair	0.0	0.9	1.0	7.7	90.3
Production, non-construction trades, and craft	0.0	0.2	10.0	25.7	64.1
Transportation and material moving	0.0	0.1	1.2	8.4	90.4
Other (forest, fishery, agriculture, military, arts, media)	0.0	0.0	0.0	2.5	97.5
<b>Total (Count)</b>	<b>6</b>	<b>727</b>	<b>3,175</b>	<b>10,239</b>	<b>65,260</b>
<b>Total (%)</b>	<b>0.0</b>	<b>0.9</b>	<b>4.0</b>	<b>12.9</b>	<b>82.3</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Percent of employees by employment status

Employment status	Percentage
Full-time	99.3
Part-time	0.6
Temporary	0.1

### Percent of employees receiving benefits

Benefit type	Percentage
Medical	99.9
Retirement	99.7

## Government funded mental health services deduction

Nonprofit health or social welfare organizations receive a B&O tax deduction for providing mental health or chemical dependency services under a government-funded program. The same deduction applies to regional support networks for amounts received by the state for distribution to health or social welfare organizations which qualify for the deduction. (RCW 82.04.4277)

<b>Number of participants</b>	10
<b>Number of temporary staffing</b>	19

### Distribution of employees by occupation

Occupational class	Employees	
	Count	Percentage
Business, financial, and legal operations	288	9.4
Computer, mathematical, architecture, & engineering	157	5.1
Life, physical, and social science	31	1.0
Community and social services	1,072	35.0
Education, training, and library	12	0.4
Healthcare practitioners, technical, and support	521	17.0
Protective services, building, and grounds maintenance	0	0.0
Sales and service	49	1.6
Office and administrative support	492	16.1
Construction and extraction	0	0.0
Installation, maintenance, and repair	5	0.2
Production, non-construction trades, and craft	0	0.0
Transportation and material moving	0	0.0
Other (forest, fishery, agriculture, military, arts, media)	63	2.1
<b>Total</b>	<b>3,061</b>	<b>100.0</b>

## Government funded mental health services deduction (continued)

### Percent distribution of employees by occupation and wages

Occupational class	Min. wage to \$10 (%)	\$10.01 to \$15 (%)	\$15.01 to \$20 (%)	\$20.01 to \$30 (%)	\$30.01 & over (%)
Management*	0.0	0.3	7.9	18.2	73.7
Business, financial, and legal operations	0.0	0.0	5.3	23.0	71.6
Computer, mathematical, architecture, & engineering	0.0	0.0	3.2	17.8	79.0
Life, physical, and social science*	0.0	12.8	16.0	19.3	51.6
Community and social services*	0.0	21.6	41.6	30.1	7.5
Education, training, and library*	0.0	0.0	6.5	85.2	8.3
Healthcare practitioners, technical, and support*	0.0	9.9	7.3	16.8	66.0
Protective services, building, and grounds maintenance	0.0	0.0	0.0	0.0	0.0
Sales and service	0.0	0.0	0.0	17.0	83.0
Office and administrative support*	0.0	23.0	39.9	32.1	5.0
Construction and extraction	0.0	0.0	0.0	0.0	0.0
Installation, maintenance, and repair	0.0	46.2	33.4	20.4	0.0
Production, non-construction trades, and craft	0.0	0.0	0.0	0.0	0.0
Transportation and material moving	0.0	0.0	0.0	0.0	0.0
Other (forest, fishery, agriculture, military, arts, media)	31.7	39.8	2.7	13.4	12.4
<b>Total (Count)</b>	<b>20</b>	<b>429</b>	<b>740</b>	<b>764</b>	<b>1,118</b>
<b>Total (%)</b>	<b>0.7</b>	<b>14.0</b>	<b>24.2</b>	<b>25.0</b>	<b>36.5</b>

\* The total percentage for the employment status may not total 100% due to participant answers.

### Percent of employees by employment status

Employment status	Percentage
Full-time	80.3
Part-time	17.3
Temporary	2.4

### Percent of employees receiving benefits

Benefit type	Percentage
Medical	92.5
Retirement	88.5

## Appendix: Filing Requirements

### Information Required

The law requires two different types of accountability tools. The first is the annual survey. Participants in the survey incentive programs provide the following information for the survey year:

- The amount of tax preference claimed;
- The firm's number of employment positions (full-time, part-time or temporary);
- The number of employment positions by specified wage bands; and
- The number of employment positions with medical, dental and retirement benefits.

In addition, firms utilizing the sales and use tax deferral for investments in rural or qualifying counties or high technology firms must provide the number of new products or research projects developed and the number of new patents, copyrights, and trademarks associated with the facility.

The law requires participants in report incentive programs to file an annual report. The tax benefit amount is not required; however, they must provide information on the following for the report year:

- Employment by wage bands and occupation;
- The number of employment positions (full-time, part-time or temporary); and
- The number of employment positions with medical and retirement benefits.

### List of incentives that require an annual survey and/or report.

#### Incentive type

#### Required form

##### *Business and occupation (B&O) tax rate reduction*

Aerospace Federal Aviation Regulation (FAR) part 145 repair stations	Survey and report
Aerospace manufacturers	Survey and report
Aerospace product development	Survey and report
Newspaper publishers and/or printers	Report
Semiconductor material manufacturers and processors for hire	Report
Solar energy systems manufacturers and wholesalers	Survey
Timber and wood products	Survey

##### *B&O or Public utility tax (PUT) exemptions or deductions*

Dairy products manufacturers	Survey
Electrolytic processing businesses	Report
Fruit and vegetable processors	Survey
Government funded mental health services	Report
Seafood processors	Survey

**Incentive type (continued)****Required form***B&O or PUT credits*

Aerospace product development spending	Report
Aerospace preproduction expenditures	Survey and report
Aerospace property and leasehold taxes	Survey and report
Aluminum smelters property tax	Survey and report
Aluminum smelters sales and use tax	Survey and report
Customized employment training	Survey

*Sales and use tax deferrals*

Agricultural industry	Survey
Biotechnology	Survey
Corporate headquarters in a community empowerment zone	Survey
High technology	Survey
High unemployment county	Survey
Manufacturer's site	Survey
Rural county	Survey

*Sales and use tax exemptions*

Aerospace computer, software and peripherals	Survey and report
Aerospace FAR part 145 repair station	Survey and report
Aerospace manufacturing site	Survey and report
Data Center	Survey and report
Hog Fuel (by facility)	Survey
Public research university machinery and equipment	Survey
Renewable energy equipment (by facility)	Survey
Semiconductor	Survey and report
Solar energy systems manufacturers or processors	Survey

*Other incentives*

Aerospace leasehold tax exemption for superefficient airplane manufacturers	Survey and report
Aerospace personal property tax exemption for superefficient airplane manufacturers	Survey and report
Aluminum smelter use tax exemption for compressed/liquefied natural gas	Survey and report
Agricultural crop protection products hazardous substance tax exemption	Survey